

Attachment 3
EWA Asset Recommendations
(From 4-10-2000 Federal-State Meeting)

The following recommendations allow the creation of an Environmental Water Account starting October 1, 2000. The EWA will acquire assets of about 300,000 acre-feet of water during the period October 1, 2000 – September 30, 2001. The recommendations also include provisions for acquiring additional assets that will allow the account to be used for the long-term (5 + years). The recommendations also involve policy issues that require resolution.

- 1. Pursue Recommended Tools (attached) With Flexibility to Purchase as Much South of Delta Water and Storage As Capable**
 - ✓ This option includes the purchase of water south and north of the Delta, purchase of storage space for the water, and SWP/CVP project operational flexibility.
 - ✓ It provides the flexibility for carryover water and storage to be acquired for use in subsequent years.
 - ✓ It provides a moderate to high degree of reliability at a reasonable cost.
 - ✓ It involves some policy issues that require resolution.
- 2. Allocate \$50 million dollars from portions of the State and Federal budgets for implementation of Option No. 2**
 - ✓ A portion of this request (\$20 million) will be used as a reserve for contingencies and long-term options.
 - ✓ This funding helps to assure long-term formation and success of an EWA.
- 3. Pursue a long-term groundwater storage agreement with the Vidler Water Company, and water purchases with the San Joaquin River Group.**
 - ✓ This provides for immediate and long-term use of the EWA.
- 4. Pursue multi-year surface storage agreement with Metropolitan Water District**
 - ✓ This provides for immediate and long-term use of the EWA.
- 5. Fully use Joint Point of Diversion to the extent currently allowed to benefit water users and the EWA**
 - ✓ This provides water supply benefits to water users and the EWA.
- 6. Explore recapture of b(2) released water to benefit water users and the EWA.**
 - ✓ This provides water supply benefits to water users and the EWA.

DRAFT - Environmental Water Account Short-Term Option Matrix

Draft - April 7, 2000

October 2000 - September 2001

EWA Option 1	Asset	Benefits	Cost	Issues	Status
Attributes: High reliability; High expense; Storage to be purchased with water; Minimal conveyance needed; Policy decision needed	1. South of Delta Water Purchase Including Option for Storage (Available in all water year types)	200 TAF	\$150 / AF	Use of Federal purchase/option Year 2000 agreement for EWA; Environmental Documentation, Potential conflict with CVPIA acquisitions	Contract for Federal purchase of up to 75 TAF completed (decision required regarding use of water). Informal contacts made with KCWD, MWD, Semi-Tropic and Vidler Water Co. for purchase of storage and additional water.
	2. Demand Shifting (Available primarily in wet years)	40 TAF	\$50 / AF	Lead time to coordinate shift; Payback of water	Informal contacts made with KCWD, MWD, and Semitropic.
	3. Storage Purchase (Available in all but the wettest and driest year types)	(100 TAF)	\$200 / AF	Participation in Semitropic long-term banking program	Informal contact made with Semitropic, and Vidler Water Company.
	4. Additional 500 cfs (Available primarily in wet years)	60 TAF	\$30 / AF	Policy decision required	Implementation being pursued by interagency team, Potential for use in WY 2001-2002 being assessed by SWP and CVP Operators.
Total		300 TAF	\$54 Million		

EWA Option 2	Asset	Benefits	Cost	Issues	Status
Attributes: Moderate Reliability; Less Expensive; Less water purchased; Greater reliance on operational flexibility; Policy decisions needed. Upstream water purchased for less cost but conveyance needed	1. South of Delta Water and Storage Purchase	75 TAF (40 TAF)	\$150 / AF \$200 / AF	Same as those in Option 1	Same as option 1
	2. North of Delta Water Purchase (Available in all water year types)	40 TAF	\$70 / AF	Same as those in 1a. Access to conveyance also needed	Draft EA for VAMP use available; Contact made with SJRGA and Yuba County Water Agency. Availability still needs to be determined
	3. Demand Shifting	90 TAF	\$50 / AF	Same as Option 1	Same as Option 1
	4. Additional 500 cfs	60 TAF	\$30 / AF	Same as Option 1	Same as Option 1
	5. Export/Inflow Ratio Relaxation (Available primarily in drier years)	35 TAF	\$25 / AF	South Delta water levels; fish impacts; water quality; storage, need for State agreement; Policy decision required	Potential for use being assessed by SWP and CVP operators
Total		300 TAF	\$30 Million		

EWA Option 3	Asset	Benefits	Cost	Issues	Status
Attributes: Least Reliable Option; Most Inexpensive; Depends entirely on operational flexibility; Both conveyance and storage needed; Policy decisions needed.	1. Recapture b(2) (and ERP Water)	105 TAF	\$30 / AF	Loss of abandoned water for SWP use; COA renegotiations required; Policy decision required	Potential for use being assessed by SWP and CVP operators
	2. Additional 500 cfs	60 TAF	\$30 / AF	Same as Option 1	Potential for use being assessed by SWP and CVP Operators.
	3. San Luis Storage	100 TAF	\$25 / AF	Policy decision needed; COA renegotiation	Potential for use being assessed by SWP and CVP operators
	4. Export/Inflow Ratio	35 TAF	\$25 / AF	Same as Option 2	Same as Option 2
Total		300 TAF	\$9 Million		

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